

Retiree Sliding Scale Premium

Members who retired after September 30, 2005, are subject to a sliding scale premium, based on years of service. The premium for retiree coverage is broken down into the employer share (what PEEHIP pays) and the retiree share. Under the sliding scale, the retiree is still responsible for the retiree share; however, the employer share will increase or decrease based upon a retiree's years of service.

For members retiring with 25 years of service, PEEHIP pays 100% of the employer share of the premium. The member will only be responsible for the employee share of the premium. Each year less than 25, the PEEHIP share of the premium is reduced by 2% and the retiree share is increased accordingly. For each year of service above 25, the employer (PEEHIP) share increases by 2% and the retiree share is reduced accordingly. PEEHIP members who retire on disability but are also eligible for service retirement are subject to the sliding scale for PEEHIP premiums.

All members who retired before October 1, 2005, are not affected by the Retiree Sliding Scale Premium. A chart illustrating the sliding scale premiums can be found on the RSA Web site at www.rsa-al.gov.

The retiree sliding scale premium will not apply to disability retirements for twelve (12) months from the member's date of retirement, provided the member submits to PEEHIP proof of application for Social Security Disability benefits. The exemption from the sliding scale premium can be extended beyond twelve (12) months from the member's date of retirement if the member qualifies for Social Security Disability benefits during the twelve (12) months following the member's date of retirement and proof of the Social Security Disability is provided to PEEHIP. For those qualifying, the premium adjustment will be made effective the first day of the second month following receipt of the Social Security notification by PEEHIP, provided it is received within twelve (12) months of the member's date of retirement.